Institute for Research on Public Policy

Institut de recherche en politiques publiques

International Assistance to Democratic Development: A Review

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IRPP Working Paper Series
no. 2003-04

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George Perlin

The drama and consequences of the military-driven attempts to effect regime change in Afghanistan and Iraq have drawn worldwide attention to "democracy promotion" as an important element in international relations. In fact, these episodes are just one part of the new direction in global strategies undertaken by the established democracies since the end of the Cold War. While democracy promotion was always at least nominally a goal of these states, during the Cold War it was practiced only in exceptional circumstances—constrained by the day-to-day course of events in an international environment in which military power was the primary instrument for preserving security. Initiatives in democracy promotion were limited by the doctrine of nonintervention, intended to prevent the destabilization of the balance of power.

The end of the Cold War, coupled with a process of more widespread political change that began with the fall of the authoritarian regimes in the Iberian Peninsula in the 1970s, precipitated more active engagement in initiatives of this kind. This process of political change, described by Samuel Huntington as the "third wave of democracy," has been characterized by a dramatic growth in the number of states committing themselves to some form of democratic governance (1991). Freedom House[2] estimates that since 1987–88, the percentage of the world's states that are "electoral democracies" has grown from 40 to 63.[3] As the number of states undertaking the transition from authoritarian to democratic rule has grown, democracy

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[1] This review is based on a survey of donor, delivery-agent and research-centre Web sites; a review of secondary sources; interviews by the author; and the author's personal experience as director of a project, funded by the Canadian International Development Agency, to establish a curriculum in the study of democracy in postsecondary educational institutions in Ukraine.

[2] Freedom House is a nonpartisan American NGO that was established by Eleanor Roosevelt and Wendell Wilkie after the Second World War to promote liberal-democratic values. It does annual global surveys in which it assigns scores to all countries on an index of variables measuring individual rights and freedoms. Its indicators are described in appendix 2. Freedom House defines democracy as, "At a minimum...a political system in which the people choose their authoritative leaders freely from among competing groups and individuals who were not designated by the government" (Freedom House Survey Team 2002).

[3] The figure is shown as a percentage because the total number of states has grown. Adrian Karatnycky reports that there were 121 electoral democracies out of a total of 192 sovereign states at the end of 2002, and 66 out of 167 in 1987–88. "In short," he observes, "the number of new democratically elected governments has increased by 55 over the space of 15 years, an average of nearly four per year" (2003, 1).

promotion has come to play an increasingly important part in international relations. Its legitimacy was formally recognized by a group of 105 states that met in Warsaw in 2000 and formed the Community of Democracies with the express purpose of promoting global democracy. Canada was one of the signatories to the Warsaw declaration and has been an active supporter of democracy promotion.

Democracy-promotion activities have taken two main forms. One is the imposition of conditions for political reform as a requirement for conferring other benefits. The most comprehensive application of conditionality is that which the European Union has required of central and eastern European states seeking admission to the EU. These states have had to demonstrate their commitment to the practice of liberal-democratic governance before being accepted as EU members. Political conditions of a less sweeping but nonetheless significant kind are now routinely imposed by both individual states and international organizations such as the IMF and the World Bank for the provision of economic and financial assistance to developing countries.

But the major innovation in policy over the past two decades has been the allocation of resources to specific democracy-building activities. Direct assistance has been the principal vehicle for the delivery of democracy-promotion policy. It is distinctive in two particularly important ways. First, it involves direct intervention through a wide range of activities. Second, it is supported by funding from both the public and private sectors.

This paper is the first in a project initiated by the Institute for Research on Public Policy to contribute to a discussion of Canada's role in democracy promotion. The project is concerned with democracy-promotion policy as a whole, but it is focused primarily on direct assistance because of the scope of the activities direct assistance encompasses and the scale of the financial commitment it involves. The specific objectives of the project are to establish how Canada can contribute most effectively to international assistance to democratic development and to determine best practices for delivery of Canadian assistance. To achieve these objectives, Canadian policy and programs need to be located in the context of the activities of the international donor community as a whole. All of the papers will be developed from this comparative perspective. The purpose of this first paper is to provide an overview of the collective international effort. In it, I describe the nature of direct assistance in this field and introduce issues that bear on its effectiveness.

THE RATIONALE FOR DEMOCRACY PROMOTION

There are several reasons for the widespread adoption of democratic development as a goal in international -assistance policies.

Democracy promotion reflects first a commitment to the intrinsic worth of liberal-democratic values. From this perspective, there is a moral obligation for liberal-democratic regimes to help extend these values. This has been a factor in the strain of liberal idealism that from time to time played a role in American foreign policy in the twentieth century. Its most common expression has been support to human rights groups. While it occasionally played a role in the policies of the United States during the Cold War, it is a motivation more commonly ascribed to smaller and middle-rank powers, such as Canada and the Scandinavian countries. With the end of the Cold War and the developing belief that liberal democracy is "the normal condition" of governance reflecting universal aspirations (cf. Fukuyama 1992), there has been a greater willingness among legislators and leaders in all of the liberal-democratic states to project their values into activities to support the third wave of democratization.

A second justification lies in the belief that the spread of democracy will contribute to reduced levels of armed conflict. Proponents of this view say that

> There is a strong interconnection between the process of peace building or conflict resolution and democracy. First, conflict often emerges due to a lack of democratic political leadership or structure. Second, democratic values and principles, such as pluralism, equal representation, and participation, are vital to the process of resolving conflict. Third, in a post-conflict society, where the political infrastructure is weak or nonexistent, democratizing the political system is essential for rebuilding the society and preventing future conflict. (World Movement for Democracy 2003)

Spencer R. Weart (1998), in a historical review reaching back to ancient Greece, claims that armed conflict has never been initiated to settle disputes between or within democratic states.[4] At the same time, an analysis of the record over the last half of the twentieth century establishes that democracies have generally

[4] In part, this argument rests on how one decides whether a state is a democracy. For example, while the seceding Southern states in the American Civil war had democratically elected governments, Weart argues that the Civil War was not an exception because the South was dominated by an oligarchy whose power rested on a limited franchise and an illiberal political culture and thus was not a democracy (1998, 114–20).

been significantly less likely than authoritarian regimes to resort to the threat or use of war in any international disagreement. Some critics note examples where democracies have acted covertly to overturn democratically elected governments (as the United States did in Chile in 1973) or have invaded other states (as the United Kingdom, France and Israel did in Suez in 1956). However, these kinds of cases tend to be treated as rare exceptions to what has been described as "the closest one can get to an 'iron-clad' law in international relations theory" (Schraeder 2003, 32).

Critics say that there is no convincing empirical evidence to explain why democracies are less disposed to resort to conflict than authoritarian regimes. Even proponents agree that no research has clearly established what particular characteristics of democracies are important in curbing the re sort to war (cf. Kegley and Hermann 2002). The most convincing line of argument focuses on aspects of the political culture of liberal democracies (cf. Gowa 1995). In this view, the conduct of democracies in international relations reflects the habits of mind and values that govern the conduct of their citizens and elites in domestic relations. Democracies approach international disputes with a collective disposition, learned from domestic politics, to be moderate in their demands, to respect the opinions of others, and to resolve disagreements through accommodation and compromise.

An important factor in the emphasis on democratization as a means to reduce inter- and intra-state violence was the widespread sense of horror over episodes of ethnically based conflict that led to massacres such as those that occurred in Rwanda and the states that formerly comprised Yugoslavia. Peacekeeping came to be seen as a necessary but inadequate part of the international community's response to this kind of conflict. The view developed that it could only be successfully controlled through preventative peace-building policies—policies aimed at establishing indigenous political institutions capable of resolving conflicts peacefully, protecting minorities and promoting the development of a culture of tolerance. The most comprehensive intervention of this kind has been mounted in the Balkans, where military action to end ethnic conflict has been followed by a program to support the establishment of liberal-democratic regimes.

Most recently, the promotion of global democracy has been seen as a means to reduce the threat of international terrorism. Larry Diamond argues that "one of the main sources of terrorism is chronically bad governance." He urges increased investment in "demo cracy and good-governance programming" to

transform "predatory societies" that lack "abundant social capital[5] (and the strong public institutions and public life that result from it)" into "civic communities" committed to "the universal goals of freedom and development" (2002, 1). Jennifer L. Windsor argues that Middle Eastern countries, where most of the terrorist groups have originated, have contributed to the problem because their governments "lack the legitimacy and capacity to respond to the economic and social challenges that face them" (2003, 1). Even critics of the Bush administration's decision to pursue regime change in Iraq have argued that promoting global democracy—by addressing the popular discontents that have been mobilized by extremist Muslim fundamentalists and creating a community of states committed to liberal-democratic values—is the only effective alternative to the use of force in reducing international terrorism (cf. Barber 2003).

A third reason for including democracy promotion in foreign policy was the growing frustration during the 1970s and 1980s among donors of foreign aid with the evident failure of their economic-assistance policies in many developing countries. Analyses of this problem identified government corruption and ineffectual governance as two of the causes. Aid donors concluded that foreign economic and social assistance had to be coupled with assistance to strengthen policy making and public administration in recipient countries, and with new forms of delivery that would prevent the diversion of aid funds from their intended purposes. This led to two significant policy changes. First, programs were developed to promote good governance, understood both as capacity building within administrative structures and as the development of mechanisms to curb corruption. Second, local NGOs were increasingly used to deliver social and economic aid with the aim of getting around incompetent and corrupt state delivery agents and strengthening the involvement of the intended beneficiaries of aid in the planning and management of projects. This second change became the basis for broad-gauge assistance to strengthen civil society and promote democratization.

Some economists question whether democratic development contributes to economic development. They say that in many countries economic development has occurred under the auspices of authoritarian regimes. Further, they argue that the theoretical connection between democratic development and economic development has never been well established. However, recent empirical work appears to substantiate the linkage. For example, a 1999 World Bank study that created six aggregate measures of

[5] The concept of "social capital" is widely used in the academic literature on the sustainability of democracy. Robert Putnam, who introduced the concept in his work on Italian and American politics, defines it as both "social networks

good governance[6] based on 300 variables concluded that "there is a strong causal relationship from good governance to better development outcomes such as higher per capita incomes, lower infant mortality, and higher literacy" (Kaufmann, Kraay and Zoido-Lobaton 1999, 1). More recently, Roll and Talbot have reported that they found, in a global study of differences in gross national income per capita over the period 1995–99, that civil liberties, political rights and press freedom are all positively correlated with higher levels of income. Moreover, their analysis shows that these are causal variables and not effects that flow from higher levels of economic development: "Liberalizations," they say, "are, on average, followed by dramatic improvement in country income, while substantial reductions in growth typically follow anti-democratic events" (2003, *passim*).

Those who believe that the causal arrow points from democratic development to economic development or that the two are mutually reinforcing processes make three main arguments. One is that the legitimacy that democracy accords to governments permits them to mobilize popular consent for the difficult policy choices that the process of economic development often requires. The second is that democratic governments are more likely to sustain the legal framework necessary to ensure the effective operation of free markets. The third is that democratic regimes are more likely than authoritarian regimes to provide competent and honest governance. The consensus view is expressed in a 1993 policy declaration by the OECD's Development Assistance Committee (DAC) that committed DAC countries to pursue objectives that would treat economic and democratic development as interconnected processes (see box).[7]

Finally, democracy promotion has been seen by many policy makers as a necessary support to the new patterns of economic relationships associated with globalization. In this view, the development of regimes committed to liberal-democratic values is an important adjunct to freer trade and the expansion of investment opportunities for private capital. The underlying assumption is that the more intimately countries

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and the norms of reciprocity and trustworthiness that arise from them" (2000, 19).

[6] Their aggregate measures were based on a wide definition of good governance that included not just indicators of competent and honest administration but also indicators of "voice and accountability" and the rule of law that would be associated with the concept of democratic governance.

[7] The consensus among participants at the 2001 White Oak Conference on Democracy and Development was that the two are "fundamentally *compatible* processes" (italics added). The rapporteur making this observation said it was a position on which economists and political scientists would not have agreed 10 or 15 years ago. He added that among the conference participants, "there are also strong residual views that authoritarian governance is necessary at the early stages of economic development" (Center for Democracy and Free Markets of the Council on Foreign Relations 2001).

are associated economically, the more important it is that their political regimes act harmoniously. This was manifestly an impetus to democratic development as economic co-operation among European countries evolved into the European Union. The success of the EU served as an example of the value of democratic governance in

developing and protecting market economies under conditions of political stability. The significance of this lesson has been driven home to business leaders by the difficulties they have encountered in trying to expand into developing countries and the new states that emerged from the collapse of the Soviet Union. They have been made further aware of the need to address issues of political reform by protest movements that resist globalization.[8]

DAC Statement on the Importance of Political Reform as a Factor in International Economic Assistance

"It has become increasingly apparent that there is a vital connection between open, democratic and accountable systems of governance and respect for human rights, and the ability to achieve sustained economic and social development. Although these links are neither simple nor uniform, varying greatly from case to case and with respect to both time and place, DAC Members believe that sustainable development requires a positive interaction between economic and political progress. This connection is so fundamental that participatory development and good governance must be central concerns in the allocation and design of development assistance . . .

"The agendas for good governance, participatory development, human rights and democratisation are clearly interlinked. They include elements which are basic values in their own right, such as human rights and the principles of participation, and others such as accountability, transparency and high standards of public sector management, which are also means to developmental ends. Some of the objectives, such as the rule of law, must be viewed as both ends in themselves and means to viable development . . .

"Specifically, the overall agenda includes the following inter-linkages:

- the legitimacy of government which depends on the existence of participatory processes and the consent of those who are governed;

[8] The interest of business leaders in political issues is reflected in the increasing prominence these issues have been accorded at meetings of the World Economic Forum. One illustration of the forum's concern with political issues was its focus at its 2003 meeting on the connection between declining public trust in government and declining trust in corporate institutions. As the president of the forum observed, it convened under circumstances in which "There was little confidence in the ability of public institutions to govern effectively for the global common good and a lack of trust in business's accountability towards society" (Schwab 2003).

- the accountability of the political and official elements of government for their actions, depending on the availability of information, freedom of the media, transparency of decision making and the existence of mechanisms to call individuals and institutions to account for their conduct;

- accountability also exists at the political level through representative government and the political process;

- the competence of government to formulate appropriate policies, make timely decisions, implement them effectively, deliver services;

- respect for human rights and the rule of law, to guarantee individual and group rights and security, provide a viable framework for economic and social activity and allow and encourage individuals to participate."

DEFINING DEMOCRACY ASSISTANCE

The scope of democracy assistance is not easy to define. Donor policy statements use different terms to describe the objectives of political aid. The four most commonly used are good governance, human rights, democratization and civil society. All have been subject to varying interpretations, which has led to significant variation in the forms of aid that they provide for.

The term with the longest etymology is "good governance." It came into use among practitioners of economic-development assistance in the 1970s. In its early form, it was defined narrowly. It did not address the nature of a regime but focused on the competence and integrity of the regime's systems for delivering services and managing the economy. Under this definition, economic development does not require democracy; it requires efficient public administration. Accordingly, the kinds of political aid it was used to justify were limited to improving a regime's policy-making and administrative capabilities. As I have already pointed out, this interpretation of good governance prevails with some development economists. Over the past 15 years, however, wider definitions have begun to appear in donor policy statements—definitions that express objectives and justify activities clearly related to the promotion of democracy. Their breadth is expressed in the following statement of the United Nations Development Programme (UNDP): "Good governance is, among other things, participatory, transparent and accountable. It is also effective and equitable. And it promotes the rule of law. Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources" (UNDP 1997).

Under definitions of this kind, good-governance aid now encompasses a wide range of activities that are clearly part of democracy promotion, including constitutional reform, strengthening the powers of legislatures, creating institutional mechanisms to make local government more accountable and responsive to citizens, and providing support to NGOs.

The term "human rights" also appeared in early statements of policy objectives. Although it might seem to be a fairly straightforward concept, it, too, has been subject to varying interpretations. Some definitions are limited to political and equality rights, while others encompass all rights in the Universal Declaration of Human Rights, including the contentious social and economic rights in articles 22, 23, 24 and 25. The

activities the term embraces include giving advice on constitutional reform, promoting legal reform, supporting advocacy groups working on behalf of minorities and initiating programs of civic education.

Presumably because of its implication of direct political intervention, the term "democratization" was not widely used until the end of the Cold War. It, too, has been subject to varying constructions. Some policy statements limit its application to aid that promotes the development of competitive electoral systems: election monitoring, advice on electoral regulation and support to the development of political parties. Others define it broadly to encompass these activities and every aspect of regime transformation. This includes the range of activities supported under the broad definition of good governance, the training of security forces in their responsibilities under a democratic regime, the encouragement of citizen political participation, support for the development of independent news media and support for the development of NGOs.

There is general agreement about the characteristics of "civil society." It is commonly understood to refer to a sphere of activity beyond the authority of the state in which citizens pursue interests through their participation in various kinds of secondary associations. However, there is disagreement about what kinds of groups should be included in a definition of civil society. Some policy statements limit the term by using it to describe advocacy groups. Others use it to refer to the entire network of private associations and interactions outside the ambit of the state. These differences are reflected in the activities of donors. Some aid programs limit their support to advocacy NGOs, others support NGOs created to encourage citizen participation in the delivery of economic- and social-assistance projects, while others provide assistance to groups that perform functions for their members that might otherwise be performed by the state.

All four of the terms under which political aid has been delivered are recognizably part of the lexicon of democracy. Yet in most donor policy statements they are treated as discrete categories. Although there has been some recent movement toward finding a more all-embracing concept of "democratic governance," these conceptual distinctions persist. There does not appear to be an overarching theory of democratic development that guides policy. Even such inclusive statements as the one the UNDP has used to define "good governance" fail to establish how their different components relate to one another. This is an important point to which I will return. My purpose here has been to define the compass of activities that can be said to be related in one way or another to democracy promotion. Table 1 provides an inventory of these

activities drawn from a review of projects included in donor programs classified under all four categories of assistance.

Table 1: Program Objectives and Activities of Assistance Related to Democracy-Promotion Assistance

Organizing Concept	Objective	Activities
Good governance	State building	Constitutional advice; strengthening of institutional capacity
	Capacity building for policy making	Training of public servants; advice on executive organization
	Promoting integrity in government	Introduction of codes of conduct; advice on anticorruption legislation
	Strengthening democratic control over government Decentralizing policy making and administration	Advice on institutional structures; assistance to legislatures (training in procedures, development of infrastructure); advice on administrative reforms necessary to give effect to principle of accountability Strengthening of capacity of local government
	Establishing the rule of law	Constitutional advice; training of government officials; training of personnel in system for administration of justice
Human rights	Constitutional entrenchment of human rights	Constitutional advice; assistance to advocacy NGOs; public and civic education programs
	Equality and fairness in administration of justice	Institutional reform; training of judges and lawyers; training of law enforcement officers
	Strengthening indigenous human-rights movements	Support to advocacy NGOs; civic education
Democratization	Establishing democratic accountability of security services	Placement of military personnel from recipient countries in donor domestic training programs; lectures and courses at recipient staff colleges; training for law enforcement personnel
	Ensuring integrity of electoral processes	Election monitoring; advice on regulatory systems; assistance to election administrators
	Strengthening parties	Advice on use of polling, advertising and voter-mobilization techniques; advice on party organization
	Promoting development of a democratic political culture	Civic education, including introduction of civics curricula in the educational system and support to civic education advocacy groups
	Promoting free flow of	Support to "free expression" advocacy groups;

	information and opinion about public affairs	training of journalists; advice to governments on open information systems
	Encouraging citizen political participation	Civic education; NGO and party building
Civil society	Encouraging development of civil society organizations.	Support to advocacy NGOs; support to service-delivery NGOs; civic education

THE SCALE OF ASSISTANCE

All member states of OECD's Development Assistance Committee—that is, those that provide international economic assistance—also provide democracy-promotion assistance. (For a complete list of these states and the size of their assistance budgets, see appendix 1.) Support to democratic-development activities is provided as well by multilateral agencies, such as the European Union, the United Nations, the Organization for Security and Cooperation in Europe (OSCE), NATO and the World Bank. And a survey of Web sites has identified more than 70 foundations that deliver assistance of this kind.

It is very difficult to estimate the scale of spending on democratic assistance. Few states report these figures separately. Moreover, in their reporting, donors use different methods of classifying activities related to democratic development. Compounding the problem is the fact that it is not easy to distinguish between bilateral aid and aid that is channelled through multilateral agencies. To the extent that it has been possible to identify the contributions of individual donor states, there is no case in which assistance to democratic development exceeds 11 percent of total development assistance, and the average appears to be in the order of 6 percent. While proportionately small, this indicates nonetheless that public-sector spending on democratic development is in excess of US$3 billion a year.

The most active donors are the United States, Germany, the United Kingdom, the Scandinavian countries, the Netherlands and Canada. The largest individual donor state is the United States, which spends an estimated $700 million annually. One study estimates that the countries of the European Union, directly and through the EU, spend some 800 million euros (Youngs 2001, 4). Japan is the only major provider of foreign economic aid that does not have a substantial democracy-promotion component in its aid allocation.

Private-sector spending is equally difficult to estimate because foundations also use different categories to classify activities, because some spending by foundations originates with government and because many foundations do not publish appropriate financial information.

A survey of foundation activities suggests that foundations contribute at least an additional $1 billion. The private-sector donor most closely associated with assistance to democracy building is the Open Society Foundation established by George Soros. It has total annual expenditures of some $450 million, all of which is intended to create and preserve "open societies."[9] About $270 million of this is spent on specific democracy-building activities in "developing" democracies.[10] The Ford Foundation appears to spend a similar amount on these kinds of activities; the foundation's total annual expenditures exceed $900 million.

THE DELIVERY OF AID

In most donor countries, responsibility for delivering democracy assistance is divided among two or more administrative units. At the very least, responsibility for policy is vested separately in a department of foreign affairs and a department or agency for foreign aid. Often there are several ministerial-level units involved. A department of justice may administer programs in law reform; an education department, programs in civic education; a department of defense, military training; law enforcement agencies, the training of internal security forces; and an elections commission, election monitoring.

Even where aid is more or less controlled by a single agency, a survey of country policy statements suggests that authority over programming is divided. The delivery of all foreign assistance is, of necessity, organized through country-specific or regional programs administered through separate units. In part, this is

[9] The Soros Foundation defines its purpose as follows: "The goal of the Soros Foundation's network throughout the world is to transform closed societies into open ones and to protect and expand the values of existing open societies. The concept of open society is, at its most fundamental level, based on the recognition that people act on imperfect knowledge and that no one is in possession of the ultimate truth. In practice, an open society is characterized by the rule of law; respect for human rights, minorities, and minority opinions; democratically elected governments; a market economy in which business and government are separate; and a thriving civil society. OSI and the foundations established and supported by George Soros seek to strengthen open society principles and practices against authoritarian regimes and the negative consequences of globalization. The Soros network supports efforts in civil society, education, media, public health, and human and women's rights, as well as social, legal, and economic reform."

as important in the delivery of democracy assistance as in the delivery of other forms of aid, because each recipient region or country presents program administrators with a distinct set of political circumstances. Yet critics argue that it reduces the effectiveness of democracy-promotion policies because area-program administrators tend not to have the specialist knowledge needed to make effective programming decisions in the delivery of democracy aid. This problem is compounded by the fact that within aid agencies there are often divisions that reflect some functional segmentation of democracy programming, which has occurred because the major components of aid have discrete lineages and retain discrete objectives.[11] Some countries have established policy units with responsibility for setting general programming objectives for democracy assistance, and in most there are informal arrangements intended to mitigate the effects of these divisions in authority. Nonetheless, a recurring theme in commentaries on the delivery of democracy assistance is that its effectiveness is weakened by divided jurisdiction in administrative systems.

Another level of complexity is added by the fact that some assistance is delivered through arms-length agencies. Several donor states use agencies of this kind, but they have been particularly important in Germany and the United States. Most of the German government's funding for democracy assistance is managed through foundations established by the political parties. Six national parties have created foundations that are separate legal entities but accountable both to boards appointed by the parties and to the federal government. The party foundations have projects in more than 100 countries and collectively spend in excess of 300 million euros.[12] Their programs are primarily directed at "political education," including a substantial component for scholarships and fellowships to study in Germany.

Although the funds it administers are much smaller ($30 to $40 million), the National Endowment for Democracy (NED) plays a significant role in American democracy assistance. NED describes itself as a "private, nonprofit organization." While in strict legal terms this is true, NED's autonomy is clearly constrained because nearly all of its funding is provided by a congressional appropriation.

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[10] Soros also allocates funds to cultural programs, support for the development of market structures and humanitarian assistance in recipient countries, while about one-quarter of the foundation's spending is on activities in the United States.

[11] In the USAID, for example, program delivery is divided among three separate functional units as well as area-specific units.

[12] Total expenditures are impossible to establish because not all of the foundations include financial information in their general-access publications, and even that which they do publish is in approximate figures and often several years out of date.

NED gives grants to fieldwork through four associated institutes—one organized by business, one by the trade union movement, one by the Republican Party and one by the Democratic Party. The best known are the two party institutes—the National Republican Institute (NRI) and the National Democratic Institute for International Affairs (NDI)—which focus on knowledge transfer to build party organization, equip parties to compete effectively in elections and promote the establishment of fair electoral processes. NED also reserves some of its resources for general democracy-promotion activities: funding the *Journal of Democracy*, providing research support, and "working to increase international cooperation among existing democracy foundations and to encourage all established democracies to create similar institutions" (National Endowment for Democracy 2003).

NED's activities have been the subject of much controversy. Critics from the left say that it has been an instrument for activities intended to subvert democracy groups with reform ideologies of which the United States disapproves. In *Rogue State*, William Blum claims that NED has taken on many functions previously performed by the CIA in supporting right-wing extremist groups. Some conservatives are equally critical of its activities, although for different reasons. In a 1993 paper for the CATO Institute, Barbara Conry described NED as a "foreign policy loose cannon" whose institutes "often work against American interests and meddle needlessly in the affairs of other countries, undermining the democratic movements NED was designed to assist" (1993, 1).

The virtues claimed for arms-length agencies are that they have more freedom from domestic political pressures within the donor countries, they can act more quickly than state structures in making decisions about assistance and they have greater legitimacy in recipient countries where direct intervention by foreign governments in local politics is likely to be suspect. But, as both Blum and Conry point out, their activities are in one way or another part of the practice of foreign policy by donor states.

Some NGOs do not have the ties to government of the arms-length agencies but are largely dependent on government funding. In effect, these are privately incorporated and managed service providers that set their own policies and fund their activities from government grants. Among the most prominent of these is the American-incorporated International Foundation for Election Systems (IFES). In fiscal 2002–03, IFES

reported total revenue of just over $27 million, of which more than 90 percent came from government grants.

Founded originally to support the development of democratic electoral systems, IFES has—in a pattern that has become increasingly common—expanded into a much wider range of activities:

> As the idea of elections gained a secure foothold and new democracies began to mature, their needs naturally became more complex. Other, less visible elements must be present in a society if democracy is to take root. These elements include an active civil society, a just rule of law and public officials capable of honest and competent governance. As we pursue our mission to extend the reach of democracy worldwide, we are now working in four areas—rule of law, civil society, governance and elections—which we see as the necessary pillars of democracy. (International Foundation for Election Systems 2003a)

Another NGO in this category is the Eurasia Foundation. It spends $20 to $30 million annually, of which about 80 percent comes from USAID. It operates in 12 states that were formerly part of the Soviet Union,[13] providing grants to local groups and to American groups working in local partnerships. Some of its funds go to the development of local business, some to management within government, and some to support initiatives in journalism and civic organization intended to strengthen civil society.

There are two other factors contributing to complexity in the delivery of democracy assistance. One is the significant presence in the field of multilateral institutions. Of these, the only one (apart from the European Union, which I will discuss separately) that has a substantial program of direct field activities is the UNDP. It spends approximately $100 million annually on democracy assistance, almost all of it on programs in good governance. Its primary focus has been on improving management within state institutions, although it reports that its activities now include a significant component of support to other activities. The broad sweep of its activities is indicated by its work with legislative institutions, which it describes as: "strengthening the internal organization of legislatures...training of parliamentary members and staff...supporting participatory and broad-based constitutional reforms...strengthening the capacity of political parties and civil society

[13] Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

organization...empowering women...and promot[ing] sustainable human development in legislative deliberations..." (United Nations Development Programme n.d.).

Perhaps the most important multilaterals are the international financial institutions, in particular the World Bank. The bank has a limited program of direct assistance that falls within its activities to promote good governance. Through the World Bank Institute, it provides educational services primarily aimed at reducing government corruption and promoting good governance in private-sector management. However, its influence has much wider significance for democratic development. Through its use of good-governance conditions in its lending policies, it includes prescriptions that have significant effects on both state institutions and the direction of public pdicy in transitional democracies. These prescriptions affect the character of the environment in which democracy building must occur and constrain the direction of democracy assistance by other donors. The bank's policies do this by shaping the nature of requests for assistance from within recipient countries. In effect, they impose conditions that drive demand. The conditions that have this effect include fiscal-policy requirements, the bank's view of how recipient state funds should be allocated, its view of state-market relations and its definition of good governance.

The delivery of democracy assistance is rendered even more complex by the activity of private foundations. The scale of their spending, as I've already pointed out, is probably in the order of one-quarter of all the funds allocated to direct assistance. The big foundations, in particular the Open Society Foundation of George Soros, can have a significant influence both on overall strategic decisions and on the direction of assistance in specific countries. Open Society operates through a staff agency, the Open Society Institute, and through separate, locally administered foundations in 27 countries and two regions (southern and western) of Africa. Policies are established by local boards, "in consultation with George Soros and OSI boards and advisors" (Soros Foundation 2003). Specific democracy-building activities of OSI include support to civil-society projects, human rights, legal reform, public administration and political communication.

As important as the ability of large foundations to influence the general direction of democracy aid is the effect of the fragmentation of effort that results from the large number of private organizations participating in the delivery of aid. Even the most casual survey of foundation Web sites exposes both a multiplicity of similar programs and the idiosyncratic preferences of donors.

The complexity on the delivery side of democracy assistance is widely described by service providers in the field and aid recipients as having serious negative consequences. One result is that there are no concerted country strategies. Aid is delivered in bits and pieces, reflecting the preferences and specific competencies of donors. Another result is that some forms of aid are offered by multiple donors, while areas of important need get no support. The duplication of programming is a particular target of on-the-ground service providers. On the one hand, it produces a wasteful allocation of scarce resources. On the other, it leads to a narrow-casting of aid to a relatively small number of local beneficiaries.

STRATEGIC PLANNING

There is widespread criticism of strategic planning for democracy assistance. A recurring theme in analyses of EU policy is reflected in Gordon Crawford's comment on its assistance to good governance that "the overall impression is of *ad hoc* policy implementation, lacking conceptual clarity as well as a carefully considered and explicit strategy . . ." (2000, 111). The lack of explicit strategic planning behind EU assistance is also reflected in the comment by Richard Youngs that official policy documents "are generally notable for what they do not explain." Youngs adds that he had to rely on interviews with policy makers to discover the nature of the EU approach to democracy aid. (2001, 5).

Another commentator on EU policy, Carlos Santiso, locates the problem in the context of what he sees as a general problem in the formulation of aid policy within the community:

> EC foreign aid is in disarray, lacking political thrust, strategic purpose and institutional support. Recurrent reform initiatives have left the bureaucracy responsible for its management on the defensive and increasingly frustrated. EU aid officials are the first victims of the dysfunctional governance of European foreign aid. Institutional structures have run amok and have created perverse incentives, which inhibit the innovation and boldness that is often required to promote sustainable development and democratic governance in poor countries. (2002a)

Crawford adds that the study of European Commission democracy assistance is "an endeavour bedevilled by complexity and obfuscation, resultant from the convoluted nature of policy-making procedures, the

institutional fragmentation of aid programmes, and, ironically, the lack of transparency and accountability that pervade the Commission's activities" (2000, 90).

Thomas Carothers is critical of American strategic planning on different grounds. He claims that US assistance has been based on an analytical model that assumes a fixed set of conditions associated with three distinctive phases of transition from authoritarianism to democracy: opening, breakthrough and consolidation.[14] He says that decisions about where aid should be given and the kind of aid that is needed have been based on estimates of where potential recipient countries are positioned in this process of transition. Further, prescribed remedies for each phase are chosen from what he calls a "democracy template" of three categories of assistance: support to the promotion of free, fair competitive elections; support for the establishment of democratic state institutions; and support for the development of a strong civil society capable of articulating citizens' interests to government and holding governments accountable to citizens (1999, 86–87 and *passim*).

Carothers criticizes this approach because it assumes that there is a single and inevitable trajectory of transition from authoritarianism to democratic development. He points out that many regimes presumed to be in transition have done little beyond adopting an institutional pretence of democratic governance that masks continued undemocratic practices. Others, he says, have settled into a pattern in which democratic processes are observed, but there is no genuine alternation of elites in office, serious economic and social problems are not addressed, and citizens are politically disengaged from and disenchanted with politics (2002a, 10–11). Another criticism is that this approach assumes "that the underlying conditions in transitional countries—their economic level, political history, institutional legacies, ethnic make-up, sociocultural traditions, or other 'structural' features—will not be major factors in either the onset or the outcome of the transition process" (Carothers 2002a, 8).

Carothers claims that the use of this analytical model has contributed to serious deficiencies in democracy assistance. In some cases, aid is being given where it will have no useful effect. In others, the form of aid is inappropriate. In a reply to Carothers in the *Journal of Democracy*, Gerald Hyman of USAID acknowledges

[14] Carothers believes that this model is used by other donors, but the cases he cites are based on American experience, and those who published rejoinders to the *Journal of Democracy* article in which Carothers stated this view seem justified in interpreting it as a critique of US policy (see Carothers 2002a, 1 and 3; and comments by Nodia, Wollack and Hyman 2002, 3).

that the agency has worked with the concept of transition as a guide to policy but denies that it has been applied in the rigid way that Carothers claims. Hyman says further that USAID is in the process of developing a variety of analytical tools to help it find the most effective strategies for its democracy assistance (2002, *passim*).

Both Hyman and Kenneth Wollack, president of the National Democratic Institute, agree that aid strategies have to take account of the fact that many postauthoritarian regimes that have adopted the ideology of democratic reform are not moving toward democratic development. At the same time, they also defend the effectiveness of the assistance they are delivering and argue that it is more flexible and adaptable to varying conditions than Carothers suggests (Hyman 2002, *passim*; Wollack 2002, *passim*).

A different question about American strategic planning is raised by Steven Hook, who points out that US policy has been subject to pressures from shifting emphases in the overall direction of American foreign policy (1998 and 2002). The problem is embedded in the differing purposes that underlie democracy-promotion policy. The focus in US democracy assistance has varied with changes in the balance between the concern to promote economic objectives and the concern to promote national security objectives. The profound effect of these changes is reflected in the primacy accorded security objectives since the beginning of the "war on terrorism" in the fall of 2001. As a result, the effort and resources of USAID have been directed toward reconstruction in Afghanistan and Iraq. The significance of this focus is illustrated by the fact that the $87 billion President Bush has requested from Congress to rebuild Iraq is eight times the total annual budget for all forms of US international assistance, and more than 100 times the annual spending of USAID on democracy assistance. Not surprisingly, many commentators have asked what impact this may have on ongoing US support to its general program of democracy assistance.

The Effects of Democracy Assistance

There has been considerable debate about the benefits of investing in democracy assistance. Some critics question the degree of real progress that has been made. In part, the debate turns on how one defines "progress." The Freedom House report to which I referred at the beginning of this review is based on the number of countries that choose their governments through competitive elections. In addition to its

enumeration of electoral democracies, Freedom House produces an annual tally of regimes measured by their positioning on an index of "freedom."[15] This index defines "free" countries as those "in which there is broad scope for open political competition, a climate of respect for civil liberties, significant independent civic life, and independent media" (Freedom House 2002). The use of this standard reduces the number of countries in which there has been significant change. However, Freedom House still concludes that since it first began its annual assessments in 1972, there has been

> dramatic progress in the expansion of freedom and democratic governance...In 1972, there were 43 Free countries, while 38 were Partly Free and 69 were rated Not Free. Today, there are 89 states rated Free by the survey, 55 rated Partly Free and 48 rated Not Free. This means that over the last thirty years, the number of Free countries has more than doubled; the number of Partly Free states has grown by 17; while the number of the most repressive Not Free states has declined by 21. (Karatnycky 2003)

Some commentators have a more pessimistic view of the degree of change. I have alre ady pointed out the questions raised by Carothers in identifying what he sees as the development of a large number of regimes that might be described as hollow democracies. Carothers estimates that out of "the nearly 100 countries considered as 'transitional' in recent years, only a relatively small number—probably fewer than 20—are clearly en route to becoming successful, well-functioning democracies or at least have made some democratic progress and still enjoy a positive dynamic of democratization"[16] (2002a, 9).

There has been some form of democracy assistance in all of the countries normally identified as being in transition. If the numbers Carothers uses are correct, at first glance it might be assumed that this assistance has had little effect. That raises a question about how one evaluates democracy assistance, and I will take that up next. Here, however, I want to raise some other, more general questions.

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[15] For the criteria Freedom House uses in its evaluations, see appendix 2.

[16] Carothers identifies the regimes that have been successful by this standard as "found primarily in Central Europe and the Baltic region—Poland, Hungary, the Czech Republic, Estonia, and Slovenia—though there are a few in South America and East Asia, notably Chile, Uruguay, and Taiwan. Those that have made somewhat less progress but appear to be still advancing include Slovakia, Romania, Bulgaria, Mexico, Brazil, Ghana, the Philippines, and South Korea." He adds that in "a small number of countries, initial political openings have clearly failed and authoritarian regimes have resolidified, as in Uzbekistan, Turkmenistan, Belarus, and Togo . . ." (2002a, 9).

First, some commentators have asked whether any form of external intervention can have a significant effect on the process of democratization. This question assumes that democratization is an internal process that can only occur through concerted action by political leaders and citizens. Thus, if there is not a strong internal will for change, external interventions are not likely to produce it.

Second, there is the question of what effect differences in the objectives of the assistance policies of major donors have. Differences in the place of democracy promotion in foreign policy have had significant implications for the goals and form of democracy assistance. Major donors have accorded differing emphases to the justifications for democracy assistance, which has led to divergent and conflicting views of where and how to intervene. This effect has been most striking in the evolution of the policies of the two principal donors, the EU and the United States. American policy during the 1990s, in Youngs' words, "exhibited a stronger geo-strategic dynamic, compared to the more prominent development-based logic conditioning European [policy] approaches." Reflecting this, Youngs adds, the US has been more willing than the EU to intervene in "strongly authoritarian contexts," and it has been more disposed than the EU to focus on "top-down" reform of the institutions of governance as opposed to "bottom-up" reform through aid to NGOs (2001, 47 and 48). Youngs says that these differences have been reduced as each donor has modified its policies, but he concludes that "There were certainly strong grounds for arguing that, by the start of the new century, the paucity of EU–US coordination of democracy promotion was still a seriously underestimated deficiency, and one arguably of greater significance than the individual weaknesses in each of these two actors' own policies" (2001, 53).

Third, there is the question of the effect on the quality of assistance from competing programs and projects, which I raised earlier. Most donors claim to be interested in co-operation, and some say that they want partnerships with other donors, but few such partnerships are evident in practice. In fact, there is evidence from the field that donors compete to assume control of particular forms of assistance. In some cases, this reflects differences about how best to deliver a particular kind of aid; often, a donor believes that what is best for the recipient country is what has worked in the donor's own country. In other cases, it appears to reflect national and institutional rivalries.

The need for greater policy co-ordination has been met, in part, by support to information exchange. A number of organizations have taken on this role. The most active is the Stockholm-based International Institute for Democracy and Electoral Assistance (IDEA), which has an annual budget of approximately $9 million. IDEA, established in 1995, provides information to assist transitional democracies and encourages information sharing among donors of democracy assistance. IDEA is effectively an NGO funded by a co-operative of states that are its members. A recent initiative of NED has the more ambitious goal of creating "a global network of democrats, including activists, practitioners, academics, policy makers, and funders, who have come together to cooperate in the promotion of democracy." Called the World Movement for Democracy, this organization, in its declaration of purpose, proposes to be a venue for information exchange, an agency that can monitor "the efficacy of different forms of democracy support...and...a catalyst to stimulate new initiatives and help shape the priorities of the broader community of institutions concerned with the promotion of democracy" (World Movement for Democracy 2003).

Finally, questions may be asked about whether donors have had realistic expectations for the results their aid can achieve and how well they have understood the constraints imposed by the conditions in which their aid must be delivered.

Investment in support to electoral politics and party building can lead to hollow democracies in which the forms of democratic competition are honoured but their substance is manipulated. This has occurred because, for one thing, donors have ignored the importance of the underlying factors that configure political power—in particular, factors of social and economic structure. Ironically, while their interventions in new democracies have been modelled on observed practice in their own countries, they have failed to take account of how that practice is influenced by its social and economic context. For example, it is no accident that in donor countries there are continuing demands for regulatory reform to control the influence of money on electoral politics. Thus, it should come as no surprise to donors that economically powerful groups can exercise preponderant control over election outcomes in new democracies.

The results to be expected from good-governance programs are problematic for the same kind of reason. Donors have failed to take account of the circumstances in which they are trying to produce change. The training of public servants in new management practices assumes that there are sufficient resources within the state to provide incentives for them to adopt these practices. Apart from anything else, given the limited

resources that prevail in most recipient countries, the material and career interests of public servants are likely to be better served by clientelism and petty corruption[17] than by adopting new methods of public administration. Of course, donors are most concerned with large-scale corruption in which aid funds are appropriated for the personal use of government elites and their friends. However, many observers have concluded that anticorruption strategies designed to remedy this through institutional reform are doomed to fail in the absence of more effective counterweights in the system of power from outside the structures of the state.

This is why policy began to shift in the late 1990s toward the strengthening of civil society. Disappointment with the outcome of directing aid at the formal institutions and processes of government led to increasing investment in civil society projects.[18] Underlying this change was the belief that the impetus and sustaining force for reform can ultimately come only from societal demand. Yet, civil society aid is also subject to criticism.

Once again, donors may be accused of failing to understand the milieu in which their aid is being delivered. A statement issued by the Netherlands government reads:

> Donors have often failed to perceive the particular nature of civil societies in developing countries and the differences that exist between them. They have simplified, Westernised and idealised the concept, projecting the concepts that apply in their own societies. The aid system—initially at least—equated civil society with NGOs, and failed to perceive traditional or informal structures because they were less easy to recognise or because they bore no resemblance to the structures they knew...In some instances, excessive use of the project approach—the approach taken by donors—has alienated NGOs from their grass roots, resulting in disorientation and public distrust, and jeopardising continuity. (Netherlands 2002)

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[17] Typically, public-service compensation in recipient countries is at levels barely sufficient to meet basic personal needs. Seeking small, under-the-table fees for government services is simply a survival strategy. Yet, the pervasiveness of this practice creates a culture of corruption that discourages foreign investment through its cumulative multiplication of the costs of doing business.

[18] A study of EU activities found that by 1999, "in most areas over 90 per cent of democracy and human rights expenditure went to advocacy NGOs" (Youngs 2001, 6).

As a result, the statement claims, the activity of donors has often been counterproductive, obstructing rather than fostering "the autonomous development of civil societies."

Another criticism of civil society programs is that they are often too narrowly focused on support to advocacy NGOs that have the sole function of representing citizen interests to government. In this view, the objective of civil society programs should be to encourage the development of an extensive range of groups through which citizens can pursue their private purposes. This view conceptualizes civil society as a network of interacting groups that give expression to private interests and mediate among differing interests in settling differences without state intervention. Further, the importance of the development of a wide and dense network of secondary associations is generally thought to be a means of developing a democratic political culture. Participation in these associations is seen to help citizens "to cultivate the virtues of democratic citizenship: prudence, judgement, eloquence, resourcefulness, courage, self-reliance, sensitivity to power, common sense" (Keane 199, 146). Robert Putnam sees civil society as a source for building social capital, which contributes to democracy by teaching political skills, by creating "community bonds [that] keep individuals from falling prey to extremist groups," by serving as "forums for thoughtful deliberation over vital public issues" and by teaching "civic virtues" (2000, 338–39).

One may also question the real effect of support to advocacy NGOs. They often appear to be little more than executive-centred organizations that lack the capacity or the will to build a wider membership. Further, advocacy NGOs are subject to a dependency syndrome in which the imperative of organizational self-preservation forces them into devoting as much of their time to raising grants as to fulfilling the purposes for which they have been created. In addition, service providers in the field often discover that individuals in recipient countries, recognizing donor preferences, form what amount to shell NGOs as a means to secure access to aid funds.

Evaluating Performance

Providers of economic-development assistance have objective measures to assess the effectiveness of their programs. They use indicators like GDP, inflation rates, unemployment rates, per capita income, the distribution of income, and levels of saving and investment to measure changes in aggregate performance

as a result of their interventions. Even at the micro level there are measurable indicators: improved agriculture production or the development of a self-sustaining new enterprise in a local village. Social assistance is equally quantifiable by indicators such as the percentages of children suffering from malnutrition, the prevalence of disease, or literacy rates. A major problem in the provision of assistance to democratic development is that there are very few measures that can provide this kind of certainty about the effects of interventions.

This problem raises two separate kinds of issues. One concerns the administration of aid; the other concerns the evaluation of the effectiveness of strategies for democracy promotion.

Government-directed programs are commonly assessed through project-management procedures. The EU and most member countries use "logical framework analysis" (LFA). Canada and the United States use variants of "results-based management" (RBM). These methods set output and results criteria for each project, which are used to audit the effectiveness of the project's delivery. As long as the criteria are realistically specified, this approach provides valuable measurements that are important in establishing administrative accountability. But they are ill suited to the purpose of evaluating the contribution of projects to desired strategic outcomes.[19]

Evaluation of this wider kind is manifestly important in assessing the effectiveness of different forms of aid and different methods of delivering it. It is also important politically to donor governments, which need to justify to their citizens their investments in democratic-development aid.

There have been some attempts to produce this wider kind of evaluation through aggregation of LFA and RBM analyses and some attempts to do it through countrywide impact studies, but, as Crawford points out, these efforts have not produced convincing results. One important reason is the difficulty "in distinguishing the contribution of internal and external actors, as well as in separating out one donor from another." Another is the long-term nature of the process of democratic development, which is likely to mean that the impact of any particular activity will probably not be apparent until a considerable time after its completion (Crawford 2003a, 87 and 88).

[19] For a review of the assessment methods used by donor governments, see Crawford 2003a.

Crawford advocates the countrywide impact approach using a baseline derived from analysis of the specific conditions in individual recipient countries. He envisages a model that would permit the tracing of effects from particular projects through a "meso" level to systemwide macro-level impact. He stresses the importance of introducing the meso level to correct for a tendency "to jump directly from micro-level impact analysis to judgements about impact on national political change, often resulting in grandiose and/or unproven claims of macro-level impact" (2003b, 5). Crawford sees the incorporation of this midlevel analysis as identifying component sectors of an overall process of democratic development.[20]

Crawford's proposal places particular emphasis on the engagement of participants from recipient countries in establishing baseline criteria and evaluating the impact of assistance. This "participatory evaluation" approach will ensure that assessment is sensitive to country-specific conditions and can have an independent beneficial effect on democratic development through the knowledge gained and distributed by local participants (2003b, 16).

This proposal makes good sense. Its general adoption would provide better information on which to base assistance projects and permit more effective identification of country-specific needs. But one significant question remains: What measurement criteria should be incorporated in the analytical model on which this approach would be based? This raises the bigger question of how "democratic development" is to be defined. No issue is more problematic in the field of democracy promotion.

The Concept of Democratic Development

In donor policy statements there is a singular lack of clarity about the meaning of the ultimate strategic objective of democracy promotion—that is, about what constitutes a "developed" democracy. Typically, aid strategy is described in terms of support to activities related to a typology of discrete objectives. There is no overarching concept of democratic development against which to measure progress.

In a way, it is perfectly understandable that donors do not work from a concept of this kind, because the meaning of democracy has always been subject to varying interpretations. The scholarly literature is

[20] By "sectors," Crawford here refers to processes that have general effects on the overall direction of democratic development. "For instance, external support to establish a federation of NGOs could lead to more coordinated action

permeated by debate about questions such as these: How much citizen political participation is necessary to meet the test of popular sovereignty? Which sets of institutional arrangements best provide for the accountability of political elites? What conditions are necessary to ensure the sustainability of a democracy?

Accordingly, aid providers may claim with some justification that they have little choice but to find reference points for their work in observations of practice in established democracies. Yet, one has to ask whether this is a satisfactory guide, particularly since over the past decade established liberal democracies have begun to experience internal strains. These include a substantial long-term growth in public expressions of mistrust of political elites, evidence of increasing citizen disengagement from politics and criticisms of the effectiveness of existing democratic institutions.[21] Where, then, can a useful model of democratic development be found?

The answer lies in recognizing that democracy, at its core, is a normative concept. As Giovanni Sartori observed, "What democracy *is* cannot be separated from what democracy *should* be. A democracy exists only insofar as its ideals and values bring it into being" (1987, 7). Democracy as we know it in the established democracies is a process of governance organized to give effect to the individualist values embedded in the tradition of liberal political thought that gave rise to the democratic transformations that began at the end of the eighteenth century. Whatever the particular forms they have assumed, all liberal democracies are committed to the ideals of freedom, equality and justice—ideals that give expression to "the liberation and respect for individual personality" (Corry and Hodgetts 1964, 26). Thus, democratic

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and the strengthening of the advocacy capacity of the non-government sector . . ." (2003b, 6).

[21] The absence of critical scrutiny of domestic democratic practice is particularly ironic in the context of the criticisms of transitional regimes. For example, Carothers, in his assessment of aid policies, describes a condition of incomplete transition that includes many characteristics that might apply to established democracies. Countries in this condition, which he calls "feckless pluralism," tend to have "significant amounts of political freedom, regular elections, and alternation of power between genuinely different political groupings. Despite these positive features, however, democracy remains shallow and troubled. Political participation, though broad at election time, extends little beyond voting...The alternation of power seems only to trade the country's problems back and forth from one hapless side to the other. Political elites from all the major parties are widely perceived as corrupt, self-interested, dishonest, and not serious about working for their country. The public is seriously disaffected from politics, and while it may still cling to a belief in the ideal of democracy, it is extremely unhappy about the political life of the country. Overall, politics is widely seen as a stale, corrupt, elite-dominated domain that delivers little good to the country and commands equally little respect. And the state remains persistently weak. Economic policy is often poorly conceived and executed, and economic performance is frequently bad or even calamitous. Social and political reforms are similarly tenuous, and successive governments are unable to make headway on most of the major problems facing the country, from crime and corruption to health, education, and public welfare generally" (2002a, 10–11).

development may be defined as institutions and processes of governance that promote and protect liberal-democratic values.[22] Proceeding from this starting point, one can understand democratic development as embracing many different sorts of institutional arrangements. Further, this definition acknowledges that democracy is constantly evolving. The practices of democratic governance as they exist in the established liberal democracies today are the result of a continuing process of adjustment, reflecting continuing debate about how best to give effect to the fundamental value of enhancing individual freedom.

Analysis based on this conception of democratic development has the virtue of recognizing that there are many different paths toward democratic development. These reflect the differing economic and social conditions in, and the political and cultural experiences of, the countries involved. Although this approach lacks the logically phased precision of transition models, it is more realistic. As Laurence Whitehead persuasively argues in a comparative analysis of experiences with democratization over the past two decades, the process of achieving democratic development "will necessarily be relatively open-ended and may well be protracted, complex, and erratic" (2002, 32).

This approach works from a model of what a developed democracy should look like, not in terms of characteristics of established regimes, but as an ideal standard. The model continues to have reference points in the experience of established democracies. In fact, its descriptive components would be more or less like those used by organizations such as Freedom House in its assessment template. Where it differs is in the elaboration, ordering and interpretation of these elements. It can help aid providers by giving them indicators of areas in a particular developing democracy that need support. In a later contribution to this project, I will elaborate on what I believe a model of this kind should look like.

SUMMARY

[22] Fareed Zakaria's recent criticism of "illiberal democracy" points to the limitations of working with a concept of democratic development that omits consideration of values. Zakaria notes that many contemporary regimes that have adopted some of the institutional forms of democratic governance do not respect liberal-democratic values. He takes the position that primacy should be assigned to the protection of these values through the institutions of "liberal constitutionalism." He claims that democracy, understood as a method of governance, can under some circumstances be an impediment to the achievement of the transcendentally important purpose of advancing freedom. In this, I would argue, he errs in the other direction. The concept of democratic development cannot sever these two elements of liberal democracy (2003).

Until recently, there was very little scholarly interest in foreign assistance to democracy promotion. Now there is a growing literature on the subject. The general tone of that literature has been quite critical. I share the view that if democracy aid is to be effective, significant reforms are required. However, the point needs to be made that whatever its effect on the overall process of democratic development in particular countries, much good work has been done by members of the democracy-aid community. The deficiencies that I have commented on here reflect the recent origins of democracy aid, a cautious approach to its incorporation in policy by political leaders[23] and the ad hoc way in which it has evolved.

In summing up, I want to identify what I see to be some of the principal lessons that can be learned from this brief review. These, I believe, can be expressed as reflecting four general needs.

1. *Policy and strategic planning need to be grounded in a general theory of democratic development.*

Assistance related to democratic development, as we have seen, is delivered through four programming concepts: good governance, human rights, democratization and civil society. While donors may see an administrative justification for preserving these distinctions, there is an obvious congruence among the forms of aid that each of these concepts supports. In addition, there has been a growing elasticity in the definition of these concepts, which has led to an increasing convergence in the scope of the activities they encompass. This convergence is in itself sufficient cause to seek theoretical explication of the relationships it involves. Furthermore, given the importance that democracy promotion has now achieved in international relations, there is need for greater clarity in defining the desired outcome from democracy assistance. Explicitly or implicitly, donors expect to achieve some form of enduring political transformation—that is, democratic development. For these two reasons, if policy is to be effective it must be formulated with reference to a theory that establishes both what is meant by democratic development and what conditions are necessary to achieve and sustain it. In my view, theory should

- clarify the linkages among the characteristics of a "developed" democracy;
- identify the social, economic and cultural variables that are likely to influence democratic development;

[23] Several factors account for a reluctance of policy makers to commit resources to democracy assistance: the doctrine of nonintervention; uncertainty about the basis on which it might be justified; an evident lack of public support for all forms of foreign aid; the competing demands for allocation of aid to other purposes; and the increasingly straitened fiscal circumstances that afflicted all of the established democracies in the 1980s and 1990s.

- recognize that democracy is a constantly evolving process, and that no particular set of existing institutional arrangements or political processes is likely to reflect the only or best way to realize its values;
- be constructed on a model that measures progress in terms of indicators drawn from a set of ideal standards—a model that permits identification of discrepancies between ideal and achieved objectives and that can be used as a reference for devising strategies to improve performance.

2. *Aid delivery needs to be based on more realistic assumptions about attainable goals.*

Because policy has been framed without reference to a general theory of democratic development, policy makers have had unreasonable expectations of the effects of assistance. The consolidation of democracy is a process that can occur only over a long perio -as transitional elites are replaced by a new generation of leaders in government and the private sector, as new institutions acquire settled form and as the values of liberal democracy are entrenched in the political culture. The failure to take account of this creates a disposition to expect too much too soon from investments in democracy assistance. Donors need to lengthen their time horizons in their overall strategies for particular countries and in their support to particular activities. Typically, assistance is delivered through projects with a brief duration, and there is a reluctance to renew them. The premature suspension of support can undo the benefits of a program; and, in fact, many activities that have been initiated by assistance projects fail once external support is removed.

Unrealistic expectations also result from the fact that aid delivery often does not take sufficient account of conditions in recipient countries. Some projects are unsuccessful because donors do not understand the limited capacity of recipient countries to deliver and sustain activities. Others do not succeed because donors are insensitive to country-specific conditions.

Donors also need to recognize the limitations of basing their expectations about the overall effectiveness of aid on the results of individual projects. In this context, it is imperative to emphasize the importance of improving evaluation research. Evaluation has to place the direct, immediate, observable effects of project activities in context of more realistic criteria for assessing their contribution to general sectoral and systemic performance. More appropriate performance evaluation, as Crawford proposes, can be devised through reference to country profiles formulated from baseline research (2003b).

3. *Aid delivery needs to be co-ordinated more effectively.*

Case studies in the assessment literature and interviews with aid providers in the field illustrate the general point made here that divided responsibility for program delivery weakens the effectiveness of aid. The problem starts with the division of policy-making authority within donor governments. It is exacerbated by the fact that private foundations make decisions about the activities they will support on the basis of idiosyncratically determined preferences without reference to a general conception of strategic goals for the countries to which they give assistance. While few would argue that the foundations should be made subject to state policy directives, it is clear that there should at least be consultative processes to ensure that state and foundation activities do not conflict.

But the need for co-ordination is most pressing at the international level. No one who has worked in the field or surveyed inventories of projects undertaken in various countries can be unaware of the costs of un-co-ordinated and competitive international activities. Peter Burnell argues that "Close coordination among providers...can vest too much power and influence with the largest funders." He sees merit in the different perspectives that donors bring to assistance, arguing that there is "value for democratizing countries in being exposed to different approaches and alternative sources of advice" (2000, 342). While this is true, it overlooks the fact that the duplication of programs and activities is common. This is not merely wasteful of limited resources; in some cases, it has contributed to ineffectual results because important needs were neglected.

In arguing that some effort has to be made to overcome this problem, I am taking the position that the most effective form of aid delivery in democratic development, as in economic development, requires the establishment of country-specific strategies that recognize each potential recipient country's distinctive needs and characteristics. This could mean that individual donors assume responsibility for particular countries.[24] It could also mean that donors develop specializations in the kinds of aid they provide.

4. *The knowledge base from which strategic planning is developed needs to be strengthened.*

[24] Most donors, in fact, already deliver aid on a selective basis. Geopolitical factors constrain all donors, but donors choose where they will target assistance based on differing emphases in their foreign-policy and aid objectives, historic relationships with potential recipient countries, cultural linkages (such as a shared language) and domestic political considerations.

A problem that constantly confronts program administrators is the lack of information about the activities of other aid providers. Most donors contribute to the problem by not publishing sufficient information about their activities in democracy assistance. They make available statements about their general policy objectives, but few publish detailed information about specific programs and projects. More could be done to improve the administration of aid if donors had access to information about where, and with what success, particular activities have already been undertaken. Minimally, having this kind of information could prevent the duplication of activities. Optimally, it would help aid providers to make better decisions about which projects to support and encourage them to undertake collaborative initiatives. There have been some attempts to promote this kind of information sharing through the work of organizations like IDEA and the World Movement for Democracy, but this work can only be effective if donors are willing to make appropriate information available.

A related problem is that practitioners do not have adequate access to academic research. The communications between academic researchers and practitioners in this field have never been as strong as those between academic researchers and practitioners in the field of economic development. In part, this is because research on democratic development cannot be expressed with the empirical rigor and theoretical authority of research in economics. It is also because the research of political scientists who specialize in democratic theory and comparative politics has not, until recently, been seen as relevant to the day-to-day activities of government. Further, within the discipline of political science, before the commencement of the "third wave," democratic development was a marginal subject. That has changed significantly over the past decade. Through organizations like NED, and through the growth of institutes, centres and think tanks, there has been increased support to research in the field. The problem now is that the results of this research are widely scattered and have yet to be brought together in a body of easily accessible knowledge. The strengthening of the knowledge base, therefore, requires a greater effort at consolidating research results and establishing better communications between members of the academic and practitioner communities.

Choices for Canada

In this paper, I have deliberately avoided any reference to Canadian policy and programs. The issues I raise imply no judgment of Canada's assistance to democratic development. The purpose of the paper is to provide a context for identifying Canada's policy options for the future—to ask what we can learn from more

than a decade of international engagement in this field that can help us assess to what extent, and in what ways, Canada should participate.

Of course, the most fundamental questions we need to ask are about Canada's national interest in democracy promotion. On what grounds is Canadian support to human rights, democracy and good governance to be justified? Does that support express values we want to project in our foreign policy? Does it provide essential support to our goal of improving conditions in the world's underdeveloped nations? Does it contribute to our international security objectives? If we agree that it is justifiable on all of these grounds, what is, or should be, the balance among these objectives? Is that balance changing? If it is, does this imply a need to change the scope and nature of our aid programming?

If we accept that democracy assistance is a goal of intrinsic merit or a goal that is instrumental to the realization of other valued purposes in our foreign policy, what forms of aid should we deliver? Should we take a generalist approach and offer support to a wide range of activities and countries, or should we attempt to identify functional and geographical areas in which we have some distinctive competence or interest and become specialists in the delivery of assistance in those areas?

Further, does the way in which we have organized the delivery of aid need revision? Is there adequate co-ordination of democracy-promotion activities among different government departments and between government and arms-length and private-sector delivery agents?

Finally, what contribution can Canada make toward solving some of the more general problems I have identified? Can we assume some role in strengthening the knowledge base? Should we encourage greater investment of Canadian intellectual resources in research on democratic development? Can we help improve information exchange or help develop more effective means for evaluating assistance to democratic development?

These are a few of the questions that I hope will be addressed through this project.

In concluding, I should stress that this paper is meant to be an introduction to the issues as I see them, and that my views may not be shared by other contributors to the project. Other authors will comment

extensively on the issues I have raised, and they will raise other issues. The next papers in the series will deal with the principles, objectives and history of Canada's role in democracy promotion; assistance to promote human rights; the linkage between economic development and democratic development; the role of democracy promotion in peace building; the nature and place of civil-society programming in democracy promotion; and the scope and nature of assistance under good-governance programs.

Appendix 1

Net Official Development Assistance from DAC Countries to Developing Countries and Multilateral Organizations, 2001 (US$ millions)

Australia	873
Austria	533
Belgium	867
Canada	1,533
Denmark	1,634
Finland	389
France	4,198
Germany	4,990
Greece	202
Ireland	287
Italy	1,627
Japan	9,847
Luxembourg	141
Netherlands	3,172
New Zealand	112
Norway	1,346
Portugal	268
Spain	1,737
Sweden	1,666
Switzerland	908
United Kingdom	4,579
United States	11,429

Source: OECD DAC Report, December 2002

Appendix 2

The Freedom House Criteria for Measuring the Extent to Which Countries Enjoy Freedom

Political Rights Checklist

A. Electoral Process

1. Is the head of state and/or head of government or other chief authority elected through free and fair elections?
2. Are the legislative representatives elected through free and fair elections?
3. Are there fair electoral laws, equal campaigning opportunities, fair polling, and honest tabulation of ballots?

B. Political Pluralism and Participation

1. Do the people have the right to organize in different political parties or other competitive political groupings of their choice, and is the system open to the rise and fall of these competing parties or

groupings?
2. Is there a significant opposition vote, de facto opposition power, and a realistic possibility for the opposition to increase its support or gain power through elections?
3. Are the people's political choices free from domination by the military, foreign powers, totalitarian parties, religious hierarchies, economic oligarchies, or any other powerful group?
4. Do cultural, ethnic, religious, and other minority groups have reasonable self-determination, self-government, autonomy, or participation through informal consensus in the decision-making process?

C. Functioning of Government

1. Do freely elected representatives determine the policies of the government?
2. Is the government free from pervasive corruption?
3. Is the government accountable to the electorate between elections, and does it operate with openness and transparency?

Discretionary Political Rights Questions

1. For traditional monarchies that have no parties or electoral process, does the system provide for consultation with the people, encourage discussion of policy, and allow the right to petition the ruler?
2. Is the government or occupying power deliberately changing the ethnic composition of a country or territory so as to destroy a culture or tip the political balance in favour of another group?

Civil Liberties Checklist

A. Freedom of Expression and Belief

1. Are there free and independent media and other forms of cultural expression? (Note: In cases where the media are state-controlled but offer pluralistic points of view, the survey gives the system credit.)
2. Are there free religious institutions, and is there free private and public religious expression?
3. Is there academic freedom, and is the educational system free of extensive political indoctrination?
4. Is there open and free private discussion?

B. Associational and Organizational Rights

1. Is there freedom of assembly, demonstration, and open public discussion?
2. Is there freedom of political or quasi-political organization? (Note: This includes political parties, civic organizations, ad hoc issue groups, etc.)
3. Are there free trade unions and peasant organizations or equivalents, and is there effective collective bargaining? Are there free professional and other private organizations?

C. Rule of Law

1. Is there an independent judiciary?
2. Does the rule of law prevail in civil and criminal matters? Are police under direct civilian control?
3. Is there protection from police terror, unjustified imprisonment, exile, or torture, whether by groups that support or oppose the system? Is there freedom from war and insurgencies?
4. Is the population treated equally under the law?

D. Personal Autonomy and Individual Rights

1. Is there personal autonomy? Does the state control travel, choice of residence, or choice of employment? Is there freedom from indoctrination and excessive dependency on the state?
2. Do citizens have the right to own property and establish private businesses? Is private business

activity unduly influenced by government officials, the security forces, or organized crime?
3. Are there personal social freedoms, including gender equality, choice of marriage partners, and size of family?
4. Is there equality of opportunity and the absence of economic exploitation?

Source: Based on information from Freedom House, "Freedom in the World" Accessed November 14, 2003. (http://www.freedomhouse.org/research/freeworld/2003/methodology.htm)

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